

Wirefree Partners III, LLC  
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February 23, 2006

BY ELECTRONIC FILING  
Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

**Re: Written *Ex Parte* Presentation**  
**WT Docket No. 05-211**

Dear Ms. Dortch:

Pursuant to section 1.1206 of the Commission's Rules, Wirefree Partners III, LLC ("Wirefree III"), hereby gives notice of a written *ex parte* presentation in the above-referenced proceeding. On February 23, 2006, Wirefree III submitted the attached summary of its position to Carolyn Fleming-Williams, Director of the Commission's Office of Communications Business Opportunity.

If you have any questions concerning this submission please contact the undersigned.

Sincerely,

/s/ *Shelley Spencer*

Shelley Spencer

cc: Ms. Fleming-Williams

**Wirefree Partners III  
Summary Position  
Proposed DE Rule Changes for AWS**

- **Overview of Wirefree Partners III**
  - Managed and Controlled by experienced wireless entrepreneurs
  - **Self Funded** Winning DE Bidder in Auction 58 (**no carrier investment**)
  - Raised \$30M in Venture Capital; Raised \$120 Million in Debt
  - Leasing Structure – leasing ½ of spectrum in compliance with rules allowed us to use leasing revenues as collateral and fund spectrum acquisition and own network business plan
- **Small Businesses are an important part of the US economy but will be shut out of Wireless without a sound DE program**
  - Small businesses employ over ½ of the US workforce
  - SBA reported to the President that small businesses often lead in innovation that is then adopted and applied by larger companies
  - contribution of small businesses to US economy is significant
- **Strongly Urge the Commission Not To Change The DE Rules for the AWS Auction – Timing Creates Impossible Hurdles for DEs**
  - Costs for participating in the AWS are high
    - Costs to acquire eligibility is high
  - Small businesses can't raise money with regulatory uncertainty
    - Small businesses can't develop a business plan under the Commission's proposal
    - Money needs to be raised before short form filing – FCC indicated in NPRM final rules may not be in place until after short form filing
- **Preserve Leasing Rules for DEs – Correct Balance**
  - Contractual/commercial relationship not controlling
  - Enables DEs to finance spectrum and run own business
  - Allow lease of up to 50% of licensed spectrum so DE can finance own network and spectrum acquisition and operate an independent network on 50%
  - No large carrier investment or ownership in leasing structures
- **The Proposals in the Notice Cast too Wide of a Net and Will Prevent Small Business from Developing Viable Businesses (Not all DEs are “illegitimate”)**
  - Small Businesses need flexibility to have strategic relationships with existing communications companies that don't implicate control

- Competitive markets in wireless makes it necessary to have a strong marketing and financing plan otherwise small businesses won't get out of the gate (franchise concept, trademark, distribution system for content)
  - The proposed rule changes would taint all relationships with other communications companies
  - Definition of Material Interest should be limited to significant equity with a defined threshold
- **Small Businesses Have to Be Able to Grow Through New Investment and Relationships (Don't alter or expand unjust enrichment rules)**
    - Council Tree's proposal for preventing licensed DEs from expanding their investments after licensing will inhibit DEs success
    - Existing Rules protect against anyone acquiring a controlling interest in the 1<sup>st</sup> five years
    - Need to be able to acquire additional spectrum to expand business model and through investment.
  - **The application to large in region companies only is discriminatory**
    - Other carriers had "material relationships" with DEs in the auction
      - Alaskan Native Wireless – listed as a partner of Council Tree on web site had 75% ownership by Leap